



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 30, 2002

H.J. Res. 87

Approving the site at Yucca Mountain, Nevada, for the development of a repository for the disposal of high-level radioactive waste and spent nuclear fuel, pursuant to the Nuclear Waste Policy Act of 1982

*As ordered reported by the House Committee on Energy and Commerce on
April 25, 2002*

SUMMARY

H.J. Res. 87 would provide Congressional approval of the site at Yucca Mountain, Nevada, for the storage of nuclear waste. In accordance with the Nuclear Waste Policy Act (NWPA), such approval would allow the Department of Energy (DOE) to apply for a license with the Nuclear Regulatory Commission to construct a nuclear waste storage facility on the approved site. Enacting H.J. Res. 87 would not alter the contractual relationship between DOE and those electric utilities with nuclear power plants to dispose of nuclear waste in exchange for the payment of annual fees. The resolution would not affect direct spending or receipts, so pay-as-you-go procedures would not apply.

Congressional approval of the Yucca Mountain site is required before DOE can proceed with its plans to spend about \$10 billion over the next several years to develop the Yucca Mountain site and begin receipt of waste in 2010. Based on information from DOE, we estimate that implementing H.J. Res. 87 would require the appropriation of about \$12 billion over the 2003-2012 period, to pay for licensing, construction, and waste transportation activities over that period. All such spending is subject to appropriation.

H.J. Res. 87 could increase the costs that Nevada and some local governments would incur to comply with certain existing federal requirements. The Unfunded Mandates Reform Act (UMRA) is unclear about whether such costs would count as new mandates under UMRA. In any event, CBO estimates that the annual direct costs incurred by state and local governments over the next five years would total significantly less than the threshold established in the law (\$58 million in 2002, adjusted annually for inflation). H.J. Res. 87 contains no new private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.J. Res. 87 is shown in the following table. The costs of this legislation fall within budget functions 270 (energy) and 050 (defense).

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Nuclear Waste Disposal						
Budget Authority ^a	375	0	0	0	0	0
Estimated Outlays	366	48	0	0	0	0
Proposed Changes						
Estimated Authorization Level	0	527	900	1,100	1,500	2,000
Estimated Outlays	0	369	788	1,040	1,380	1,850
Spending Under H.J. Res. 87 for Nuclear Waste Disposal						
Estimated Authorization Level ^a	375	527	900	1,100	1,500	2,000
Estimated Outlays	366	465	788	1,040	1,380	1,850

a. The 2002 level is the amount appropriated for that year.

BASIS OF ESTIMATE

If the Congress enacts H.J. Res. 87, DOE expects that it would apply for a license to construct a storage facility at Yucca Mountain sometime in 2004 and that the site would be ready to accept nuclear waste in 2010. The Department of Defense and DOE have requested \$527 million for this program for fiscal year 2003. Based on information contained in DOE's May 2001 report, *Analysis of the Total System Life Cycle Cost of the Civilian Radioactive Waste Management Program*, CBO estimates that implementing the resolution would require the appropriation of about \$6 billion over the 2003-2007 period and about \$12 billion over the 2003-2012 period to prepare the site to dispose of waste. This estimate includes program management, licensing, construction, and transportation of waste to the site.

In accordance with the NWP, on February 15, 2002, the President recommended to the Congress that Yucca Mountain, Nevada, be used for the storage of nuclear waste. Also in accordance with the NWP, on April 9, 2002, the Governor of Nevada provided the

Congress with a notice of disapproval of the site. Following the Governor's disapproval notice, the Congress is now deciding whether to enact legislation approving the site. Without such legislation, the notice of disapproval would stand, and there would be no further consideration of a nuclear waste storage facility at Yucca Mountain.

Spending on nuclear waste disposal activities would very likely continue in the absence of H.J. Res. 87, but CBO has no basis for estimating the likely level of such spending. If H.J. Res. 87 were not enacted, spending on the nuclear waste program could be higher or lower than shown in the above table, depending on how the program might be restructured. If Yucca Mountain is not used as a nuclear waste repository, such spending might include funding for interim storage, further study of alternative disposal sites, or other program options.

In the May 2001 report, DOE estimates the future cost to conduct the nuclear waste program is about \$50 billion, in constant 2000 dollars, from 2001 through closure and decommissioning of Yucca Mountain in 2119. According to DOE, about \$9 billion has been spent since 1983 studying nuclear waste disposal sites and preparing a recommendation for use of the Yucca Mountain site.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

While the resolution, by itself, would establish no new enforceable duties on state, local, or tribal governments, shipments of nuclear waste to the Yucca Mountain site would increase costs to the state of Nevada for complying with other existing federal requirements. Additional spending by the state would support a number of activities, including emergency communications, emergency response planning and training, inspections, and escort of waste shipments. UMRA is unclear about whether such impacts on other existing federal requirements would count as new mandates under UMRA. In any event, CBO estimates that the annual direct costs incurred by state and local governments over the next five years would total significantly less than the threshold established in the law (\$58 million in 2002, adjusted annually for inflation).

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.J. Res. 87 contains no new private-sector mandates as defined in UMRA.

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